

## Viola Home Telephone Company

## Illinois Universal Service Funding Calculation

Based upon ICC Form 23A Report Data for December 31, 2000

<u>Line #</u>	<u>Description</u>	<u>Source</u>	<u>Amount</u>	<u>Adjustment</u>	<u>Adjusted Amount</u>
1	Net Regulated Plant	Form 23A, P 8, Net Plant	\$ 1,297,911	\$ 75,700	\$ 1,373,611
2	Materials and Supplies Inventory	Page 2, 13-Month Average	24,003		24,003
3	Customer Deposits	Form 23A, P 8, 4040	4,604	-	4,604
4	ADIT - Regulated Plant	Form 23A, P 8, 4100 + 4340	94,034	-	94,034
5	Rate Base before Working Capital	line 1 + line 2 - line 3 - line 4			1,298,976
6	Working Capital Requirement				
7	Total Operating Expenses	Form 23A, P 14, Total	525,170	-	525,170
8	Less: Depreciation Expense	Form 23A, P 13, 6560	136,637	-	136,637
9	Total WC Operating Expense	line 7 - line 8	388,533	-	388,533
10	WC OE Requirement	line 9 * 45 / 360			48,567
11	Commission-Ordered Cash Balance Requirement		-	-	-
12	Total Working Capital Requirement	line 10 + line 11			48,567
13	Total Rate Base	line 5 + line 12			1,347,543
14	Total Operating Revenues	Form 23A, P 11, Total	670,798	-	670,798
15	Less: Illinois High Cost Fund		12,000	-	12,000
16	Net Operating Revenues	line 14 - line 15	658,798	-	658,798
17	Total Operating Expenses	Form 23A, P 14, Total	525,170	-	525,170
18	Other Operating Inc and Exp - Net	Form 23A, P 15, 7100	-	-	-
19	Other Operating Taxes	Form 23A, P 15, 7240	2,776	-	2,776
20	Net Op Inc before Income Taxes	line 16 - lines 17, 18, & 19	130,852	-	130,852
21	Income Tax Expense	line 34			50,690
22	Net Operating Income	line 20 - line 21			80,162
23	Return on Rate Base	line 22 / line 13			5.95%
24	After-tax Cost of Capital				11.21%
25	Target Net Operating Income	line 24 * line 13			151,060
26	Adj to Achieve Target Return on RB	line 25 - line 22			70,898
27	Gross Revenue Conversion Factor	line 35			1.6324
28	ROR Funding Deficiency Including Inc Taxes	line 26 * line 27			115,734
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	line 20			130,852
31	Illinois Inc & Rep Tax Expense	line 30 * 7.18%			9,395
32	Net Op Inc before Fed Inc Tax	line 30 - line 31			121,457
33	Federal Income Tax Expense	line 32 * 34.00%			41,295
34	Total Imputed Income Tax Expense	line 31 + line 33			50,690
35	Gross Revenue Conversion Factor	1 / ((1 - .0718) * (1 - .34))			1.6324

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**Based upon ICC Form 23A Report Data for December 31, 2000**  
**Material & Supplies Worksheet and Other Information**

Line #

1	December-99	\$20,271
2	January-00	\$20,271
3	February-00	\$20,271
4	March-00	\$20,271
5	April-00	\$20,271
6	May-00	\$20,271
7	June-00	\$20,271
8	July-00	\$20,271
9	August-00	\$20,271
10	September-00	\$20,759
11	October-00	\$20,759
12	November-00	\$20,759
13	December-00	\$67,321
14	13 Month Average	\$24,003

**Sale/Lease Back Arrangement**☒

The company does not have any sale(s)/lease back arrangement.

☐

The company does have sale(s)/lease back arrangement and has provided additional information to staff.

**Lease Agreement with Affiliates**☒

The company does not have any lease agreements with affiliates.

☐

The company does have lease agreements with affiliates and has provided additional information to staff.

**Trial Balances**

The Company has provided a copy of its 12/31/2000 trial balance in support of the attached exhibits.

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Based upon ICC Form 23A Report Data for December 31, 2000  
Operating Revenues By Category

<u>Line #</u>		<u>Source</u>	<u>Amount</u>
		Form 23A, P 10, Total Local	
1	Local Revenues	Network Service Revenues	\$ 46,529
2	State Subscriber Line Charges	Trial Balance 12/31/00	\$ 92,438
3	State Access Revenues	Trial Balance 12/31/00	\$ 203,651
4	State High Cost Support	Exhibit X, Line 15	\$ 12,000
5	State Special Access Revenues	Trial Balance 12/31/00	\$ 16,946
6	Total State Access & Local Revenues	Sum (Ln 1 - 5)	\$ 371,564
7	Federal Subscriber Lines Charges	Trial Balance 12/31/00	\$ 38,125
8	Federal Access Revenues	Trial Balance 12/31/00	\$ 139,068
9	Federal High Cost Support	Trial Balance 12/31/00	\$ 97,356
10	Federal Special Access Revenues	Trial Balance 12/31/00	\$ 1,411
11	Total Federal Access Revenues	Sum (Ln 7 - 10)	\$ 275,960
12	Misc Revenues	Trial Balance 12/31/00	\$ 23,274
13	Total Operating Revenues	Ln 6 + Ln 11 + Ln 12	<u>\$ 670,798</u>